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BEFORE THE  
SURFACE TRANSPORTATION BOARD

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DOCKET NO AB-491 (SUB-NO 2X)

R.J. CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES, INC  
-- ABANDONMENT EXEMPTION --  
IN CLEARFIELD, JEFFERSON AND INDIANA COUNTIES, PENNSYLVANIA

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ENTERED  
Office of Proceedings  
NOV 5 - 2008  
Part of  
Public Record

**FEE RECEIVED**

OFFER TO PURCHASE

NOV 5 - 2008

**SURFACE  
TRANSPORTATION BOARD**

**FILED**  
NOV 5 - 2008  
**SURFACE  
TRANSPORTATION BOARD**

Jeffrey Lundy  
Lukehart & Lundy  
219 East Union Street  
P.O. Box 74  
Punxsutawney, PA 15767-0074  
(814) 938-8110

**ATTORNEY FOR P&N COAL  
COMPANY INC.**

Dated: November 5, 2008

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**DOCKET NO AB-491 (SUB-NO 2X)**

**R.J CORMAN RAILROAD COMPANY/PENNSYLVANIA LINES, INC.  
-- ABANDONMENT EXEMPTION --  
IN CLEARFIELD, JEFFERSON AND INDIANA COUNTIES, PENNSYLVANIA**

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**OFFER TO PURCHASE PURSUANT TO 49C.F.R. §1152.27**

P&N Coal Company makes the following Offer to Purchase<sup>1</sup> the Hillman Branch subject of the Notice of Exemption and Abandonment:

**1. Identification of Line and Background.**

The Hillman Branch is approximately a seven-mile track located in rural western Pennsylvania situated in the corners of Clearfield, Jefferson, and Indiana Counties, Pennsylvania. The Hillman Branch is located in a densely wooded forest area with no buildings of any kind along the line. The line has a significant 2.69% grade from milepost 0 to milepost 7. The Branch is located in Pennsylvania's coal mining region and over the past several decades, only coal was transported over the line.

R. J. Corman acquired the line in 1995 from Conrail and your offeror is informed and believes significant state and federal grant funds were infused into the Hillman line for maintenance and/or upgrades prior to 2006.

P&N Coal Company is in the principal business of mining coal and has been conducting mining operation in excess of sixty (60) years. P&N Coal Company has utilized the Hillman Branch over the last decade up to January 2006, transporting more than 2,000,000 tons of coal over this ten (10) year period. P&N Coal Company currently has coal mining permits in the Hillman area (copy attached, marked Exhibit A) with the following reserves, totaling 2,125,000 tons.

MINE	SMP#	Mineable Reserves / Tons
Benezette Mine	24020102	50,000
Camp Run Mine	17010102	1,200,000
Fehley Run Mine	GFCC 33-07-12	60,000
Hiner Mine	03060102	120,000
Hurd Mine	17080104	80,000

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<sup>1</sup> P&N Coal Company may intend on supplementing and/or amending this offer upon receipt or discovery of any additional information. P&N Coal Company has requested a tolling of the time frame to make this offer to allow proper time to evaluate the data supplied by R. J. Corman, all of which is set forth in the Petition to Toll.

Lamkie Mine	32070104	150,000
Leathem Mine	33070102	30,000
Moore Mine	32030105	25,000
Oliveburg Mine	33070101	60,000
Porter Mine	33071106	300,000
Shaw Mine	17070107	50,000
<b>TOTAL</b>		<b>2,125,000</b>

## 2. Financial Responsibility.

P&N Coal Company is an ongoing coal company with gross sales averaging over the last five years of eight million (\$8,000,000.00) per year, employs on average about forty-five (45) persons per year and has been financially responsible for a period in excess of three decades.

Attached to this Offer, marked Exhibit B, is a certification by First Commonwealth Bank, Indiana, Pennsylvania,<sup>2</sup> P&N Coal Company's financial institution, that P&N Coal Company has the ability to exercise a line of credit currently in the amount of two million dollars for purposes of this transaction and also for purposes of maintaining the line upon purchase of same

Based upon the Offer to Purchase and projecting three years of maintenance, P&N Coal Company would be deemed a financially responsible party for these proceedings

A comment on expense of operation is appropriate here. R. J. Corman has proffered in response to information request under §1152 27 that the cost of rehabilitating the line is approximately \$135,000 00. R.J Corman then projects in its annual subsidy that the annual maintenance and cost of operation is the same number as rehabilitating the line Even accepting the \$135,000 figure as rehabilitation cost for this offer purpose, it is unreasonable to assume the same figure would be required every year for maintenance This is particularly the case in that P&N Coal Company is informed and believes that substantial grants have been provided which R.J Corman utilized in the last five years to upgrade and maintain the line. P&N Coal Company has requested additional information from R.J Corman as to historical maintenance costs and reserves the opportunity to supplement this offer

## 3. Offer.

P&N Coal Company, pursuant to its expression of intent to make an offer, offers the sum of Two Hundred and Six Thousand and Nine Hundred and Thirty-Nine Dollars (\$206,939 00) to purchase the Hillman line from the R J Corman Railroad Company<sup>3</sup>.

The aforementioned Offer to Purchase of the line consists of the following analysis of the Net Liquidation Value:

<sup>2</sup> First Commonwealth Financial Corporation is a Pennsylvania business corporation registered as a bank holding company by the Board of the Federal Reserve and has approximately \$6 billion in assets and is headquartered in Indiana, Pennsylvania, operating in 15 counties It is listed on the New York Stock Exchange under the symbol FCF

<sup>3</sup> P&N reserves the opportunity to supplement and revise this offer based upon evaluation of the information provided by R J Corman and additional information that may become available

Ties:	80,000.00
Switches:	10,500.00
Gates/Flashes	2,250.00
Siding	4,104.00
Scrap Rails	198,191 00
Take up cost	(123,106 00)
Net Value:	173,491 00
Real Estate:	35,000.00
Total NLV:	\$206,939 00

#### **4. Disparity Analysis:**

Attached hereto and marked Exhibit C is a chart comparing the valuations of the Hillman Line. Analysis of disparity between Net Liquidation Value and Offer to Purchase between R J Corman and P&N Coal Company is as follows:

**Ties:** R. J. Corman information provided as to ties is deficient to provide a complete analysis of NLV of ties. No data is provided for number of ties per category landscape, 5-20 year life, relay quality. No data is provided as to pricing listed at \$15.38 for railroad grade, and \$9.38 for landscape and no calculation as to the total price of \$114,471.00.

Based upon preliminary review on the limited information provided, and current market conditions, the sum of \$80,000.00 is listed as the sum for tie value, and P&N Coal Company will review and evaluate the tie values upon receipt of additional information.

**Switches:** No information was provided as to calculation of the three switches listed at a price of \$49,035.00. P&N Coal Company, unless provided information otherwise by R J Corman to substantiate the switch value, would calculate the switch values \$3,500 per switch for a total of \$10,500.00.

**Siding:** Based upon the current market price for scrap, discussed hereafter, an adjustment is made for the siding rail scrap at 14.4 tons to \$2,254.00 and OTM at 6.9 tons to \$1,116.95, for a total value of \$4,104.35.

**Scrap Prices:** The scrap value of R.J. Corman is \$479 per ton which is significantly out of line with current scrap prices. R.J. Corman has determined scrap price as "the values provided by the American Metals Market Database that gave scrap prices over the last six months (April - September) and took the average of the last six months." This averaging method has most recently been rejected by the Surface Transportation Board and the preferred method is to determine the most recent scrap value, even to the point of deferring that value to the date of the decision. *Oregon International Port of Coos Bay—Feeder Line Application—Coos Bay Line of*

*the Central Oregon and Pacific Railroad, Inc . Docket No FD 35160, entered and decided October 31, 2008*

The P&N Coal Company Offer utilizes for this Offer the price as of October 31, 2008 which is \$161.00 per ton, which value is verified and set forth in the *Oregon International Port of Coos Bay* Decision, page 10, footnote 25.

Based upon that current market price the value for the scrap at 1231 tons is \$198,191.00

**Real Estate Valuation:** The second most significant disparity is in the valuation of the real estate. R J Corman based the value of the real estate upon a sale of an addition to a Rails to Trails line in Lebanon, Pennsylvania for One Hundred and Forty Thousand Dollars (\$140,000.00). Based upon this sale only, R J. Corman calculates a per mile value of Forty Two Thousand Dollars (\$42,000.00) per acre for the Hillman Branch, equating to Three Hundred Thousand Dollars (\$300,000.00) This comparable is grossly inappropriate and unsupportable as to valuating the real estate.

The city of Lebanon, Pennsylvania is located 185 miles from the Hillman line in a densely populated eastern Pennsylvania Lebanon is within the Harrisburg-Carlisle-Lebanon Pennsylvania Combined Statistical Area with a 2007 population of 528,892, making it the 94<sup>th</sup> statistical metropolitan area in the County Further, it is within fifty miles of Lancaster, Pennsylvania, a city of more than 50,000 Based upon the 2000 census, Lebanon County's population density is 332 per square mile

By contrast, the average density of Jefferson, Indiana, and Clearfield Counties is 84 per square mile The Lebanon Valley area is in an urban/suburban area as opposed to the Hillman line which R J Corman's Notice of Exemption indicates is a steep grade in a densely forested area

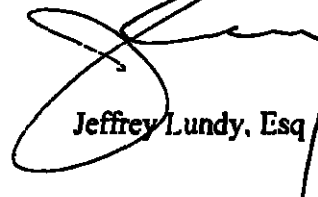
The value most accurately reflecting the value of the Hillman line are the two most recent sales in Jefferson County of abandoned lines to rails to trails. These sales and lines are located within twenty (20) miles of the Hillman line and comprise the Mahoning Shadow Rails to Trails. Attached as Exhibit D, is the Rails to Trails Deed of sale from David Osikowicz to Jefferson County (January 11, 2000, Jefferson County Recorder, Deed Book 158, page 733) for a 7.5 mile stretch for \$38,000 00. Next, Exhibit E, is the 6 mile extension of the same line by P&N Coal Company, Offeror herein, to Jefferson County (January 9, 2001, Jefferson County Recorder, Deed Book Volume 185, page 599) in the amount of \$31,500 00 Both of these track lines, but particularly the later due to the steep grade, are similar to the Hillman Branch Utilizing these combinations, the fair value for a mile of track with a steep grade and forested in rural western Pennsylvania would be \$5,000 00 per mile, for a total of \$35,000 00.

**Summary:** The Offer of P&N Coal Company is in line with a realistic valuation of the location of the Hillman line and current value of scrap prices It is P&N Coal Company's intention in making this offer to maintain the line for use for the transportation of coal from the various mines surrounding the Hillman Branch.

Accordingly, notice is hereby provided to R.J. Corman pursuant to 49C.F.R. §1152.27 of this Offer to Purchase, with appropriate filings with the Surface Transportation Board

P&N has specifically requested additional information from R.J. Corman additional information on ties, switches, pricing, calculations, prior appraisal, removal of redacted portions of reports, and reserves the right to revise their offer when and if that information is provided.

Respectfully,

A handwritten signature in black ink, appearing to read "Jeffrey Lundy", is written over a rectangular box. The signature is stylized with a large, sweeping loop at the beginning.

Jeffrey Lundy, Esq



**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 5th day of November, 2008, a digital Offer to Purchase by P&N Coal Company was efiled with the Surface Board of Transportation. It is hereby certified that a copy of the Offer to Purchase by P&N Coal Company was served upon RJ Corman Railroad by serving same upon their attorney by regular mail on the 5th day of November, 2008 at the following address:

Michael J Barron, Jr.  
Fletcher & Sippel LLC  
29 North Wacker Drive  
Suite 920  
Chicago, IL 60606-2832

Also, a copy of the aforementioned was sent by email to Michael Barron, Jr

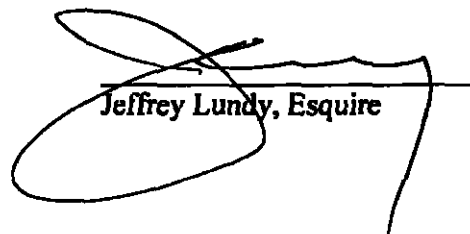
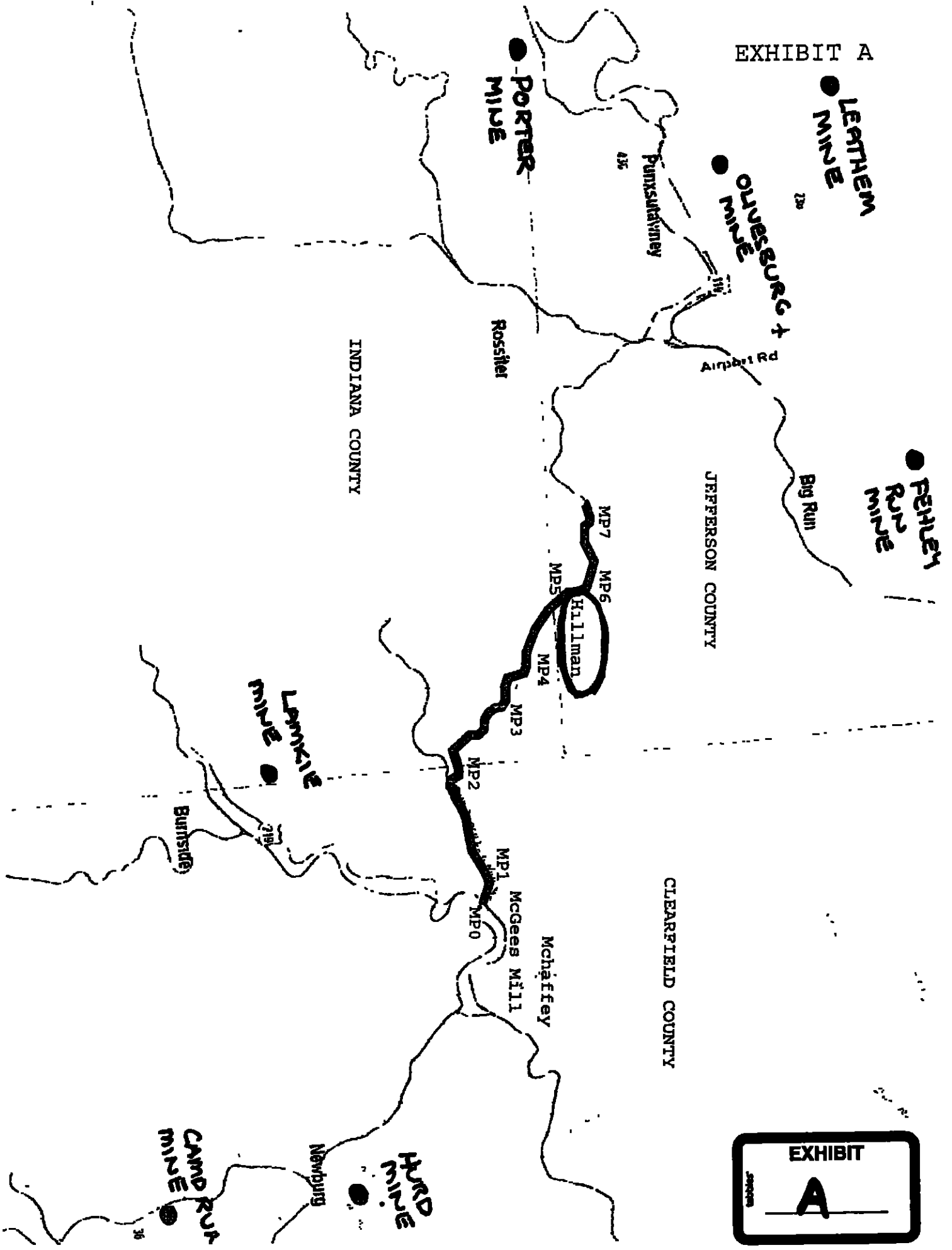
  
Jeffrey Lundy, Esquire



EXHIBIT A





**FIRST  
Commonwealth**

Banking  
Insurance  
Trust  
Financial Management  
Investments

**First Commonwealth Bank**  
Central Office  
Philadelphia and 6th Streets  
P.O. Box 400  
Indiana, PA 15701-0400  
fcbanking.com

November 5, 2008

To Whom It May Concern,

Please be advised that as of November 5, 2008, First Commonwealth Bank has extended a line of credit to P and N Coal Company, Inc. and the amount available for borrowing is in excess of \$2,000,000.

Sincerely,

*Pat A. Heath*

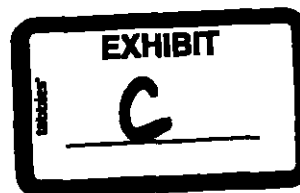
Patrick A. Heath  
Senior Vice President



## **Hillman Branch Values**

Items	R J Corman	P&N
Ties	114,471	80,000
Switches	49,035	10,500
Gates, Flashers	2,250	2,250
Siding	10,902	4104.
Scrap Rails	590,045 (479 per ton)	198,191. <sup>1</sup> (161 per ton)
Take Up Cost	(123,106)	(123,106)
Net Value	643,597	171,939 00
Real Estate	300,000 00 (42,000 per mile)	35,000 00 (5000 per mile)
Total	1,066,703 00	206,939 00

<sup>1</sup> Scrap values as of October 31, 2008



00263

JEFFERSON COUNTY, PA  
ENTERED OF RECORD  
DIANE MAHLE KIEHL  
RECORDER

**QUIT CLAIM DEED**

'00 JAN 18 AM 9 42

**MADE** the 11th day of January in the year two thousand (2000).

**BETWEEN** DAVID D. OSIKOWICZ, JR. of East Mahoning Street,  
Punxsutawney, PA. GRANTOR,

and

**JEFFERSON COUNTY, PENNSYLVANIA**, Party of the Second Part and  
**GRANTEE.**

**WITNESSETH**, That the said Grantor for and in the consideration of Thirty-eight thousand, seven hundred, seventy (\$38,770.00) Dollars lawful money of the United States of America, unto them well and truly paid by the said Party of the Second Part, at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, have remised, released and quit-claimed, and by these presents do remise, release and forever quit-claim, unto the said Party of the Second Part, its heirs, successors and assigns.

**ALL** that property situate in the Borough of Punxsutawney, Borough of Clayville, Township of Young, Township of Perry and Borough of Fordham, all in the County of Jefferson and Commonwealth of Pennsylvania, and being all the right, title and interest of said Grantor in and to all those certain pieces or parcels of land and premises, easements, rights of way and any other rights of any kind whatsoever appurtenant thereto or use in conjunction therewith on and along that portion of the former Pennsylvania Railroad known as the Cresson Secondary and which begins in said Borough of Punxsutawney, at the Westerly line of land which has been conveyed by The Penn Central Transportation Company to Consolidated Rail Corporation, said Westerly line being a line extended across the right of way of said portion of railroad parallel with the Easterly line of Indiana Street and distant 25 feet extending from said Westerly line in a general Westerly direction following along said portion of Railroad for a distance of 7.5 miles, more or less, measured along the centerline of said Cresson Secondary to the place of ending for said portion of railroad at the Easterly line of the Mahoning River.

Said parcel further bounded and described by survey map of R. B. Shannon and Associates, intended to be recorded in the Flat Book Registry of the Recorder of Deeds Office for the County of Jefferson, Commonwealth of Pennsylvania.

BOOK  
150PAGE  
0733**EXHIBIT****D**

**RESERVING** unto Grantor, their heirs and assigns, permanent and perpetual easements in gross, freely alienable and assignable by the Grantor, for all existing wire and pipe facilities or occupations whether or not covered by license or agreement between Grantor and other parties, of record or not of record, that in any way encumber the premises conveyed herein, and all rentals, fees and considerations resulting from such occupations, agreements, licenses and easement conveyances.

**FURTHER EXCEPTING AND RESERVING** unto Grantors, their heirs and assigns, all coal, oil and gas minerals in, upon or under the property described above, together with the right to remove the same without liability for damage to the surface, subsurface or support. However, this right is under and subject to Grantor's duties and obligations to provide for Grantee's continuous and uninterrupted use of the premises for purposes of a non-motorized recreational trail as set forth herein. Grantors shall be responsible to repair and alleviate any damage to improvements on the properties performed by Grantee, their successors and assigns, which may occur in the course of exercising oil, gas or mineral rights and shall, at Grantor's expense, return the improvements to their condition prior to disturbance. Grantor shall be further subject to the additional conditions set forth below.

**FURTHER EXCEPTING AND RESERVING** unto Grantor, their heirs and assigns its successors and assigns the exclusive right to grant easements and rights of way and receive considerations thereof, upon, in and under the land herein conveyed for gas, electricity, telephone, water, sewage, or other public services as well as oil and gas pipelines, as future requests for such uses are made, provided no such use shall unreasonably interfere with the County's use of the property as a non-motorized recreational trail. Grantors, and their successors and assigns, shall be responsible to repair and remediate any damages to improvements on the properties performed by Grantees their heirs, successors and assigns that may occur in the course of exercising the right of way or easement on behalf of Grantor or its successors or assigns, and shall return the improvements to their condition prior to disturbance.

**UNDER AND SUBJECT** to the obligation of Grantors, its successors and assigns, to any easements or rights of way to comply and abide by any reasonable conditions of Grantees relative to the development, maintenance and use of easements or rights of way to undertake such developments in a manner so as to provide for the safe and uninterrupted usage of the premises for Grantees' intended purpose as a non-motorized recreational trail, trailhead, parking, and related facilities. These conditions shall include, but not be limited to,

PAGE

0739

BOOK

158

appropriate fencing, traffic control, signage, support, construction of temporary detours occasioned by the exercise of easements, rights-of-way or coal and mineral rights. Grantors may be required to post adequate security to guaranty performance of these terms and conditions.

THIS land was acquired with funds provided by the Pennsylvania Department of Conservation and Natural Resources ("Department") through the Keystone Recreation, Park and Conservation Fund, Act of July 2, 1993, P.L. 359 No. 50. Subject to the exceptions and reservations described above, this land is restricted solely to a recreational trail and related facilities, and no change of use and no transfer of ownership, control, or interest in this land shall occur without the written consent of the Department. This restriction shall have the effect of a covenant running with the land and shall otherwise be binding up the Grantee and its successors and assigns.

GRANTEE acknowledges and agrees that:

- (1) Grantee will assume all obligations with respect to ownership, maintenance, repair, renewal or removal of the drainage structures, culverts and bridges located on, over or under the premises or any part thereof conveyed herein that may be imposed after the date of this Deed by any governmental agency having jurisdiction thereover;
- (2) Grantee will indemnify, release and hold harmless Grantors, its heirs, successors and assigns, from any claim related to the obligations which Grantee has assumed, including without limitation maintenance, removal and repair of bridges, drainage, road crossings, culverts and erosion and sedimentation control; and
- (3) Should a claim adverse to the title hereby quitclaimed be asserted and/or proved, no recourse shall be had against the Grantors, its heirs, successors or assigns.

BEING a part of the same parcel which became vested in Grantor by deed of Penn Central Properties, Inc., dated March 27, 1984, and recorded in Jefferson County Recorder's Office at Deed Book Volume 497, Page 931.

For Pennsylvania Transfer Tax purposes, it is certified that this is a transfer of property to a municipality for recreational purposes and therefore exempt from real estate transfer tax.

BOOK  
158  
PAGE  
0735

IN WITNESS WHEREOF, said Grantor has hereunto set his hand and seal, the day and year first above-written.

Sealed and delivered in the presence of

[Signature]

[Signature] (SEAL)  
David D. Osikowicz, Jr.

State of Pennsylvania

SS.

County of Jefferson

On this, the 1<sup>st</sup> day of January 2009, before me the undersigned officer, a notary public, personally appeared DAVID D. OSIKOWICZ, JR., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Appointed 1-18-00

Instrument No. 263

Recorded Jan 19 2009

Time 9:42 A.M.

[Signature]  
Notary Public

Notarial Seal  
Eleanor Haly Notary Public  
DuBois, Clearfield County  
My Commission Expires March 24 2010  
Member, Pennsylvania Association of Notaries

BOOK PAGE  
158 0737

## NOTICE

In accordance with the provisions of "The Bituminous Mine Subsidence and Land Conservation Act of 1966", I/we, the undersigned grantee/grantees, hereby certify that I/we know and understand that I/we may not be obtaining the right of protection against subsidence resulting from coal mining operations and that the purchased property may be protected from damage due to mine subsidence by a private contract with the owners of the economic interest in the coal. I/we further certify that this certification is in a color contrasting with that in the deed proper and is printed in twelve point type preceded by the word "notice" printed in twenty-four point type.

Witness:

This 11<sup>th</sup> day of January, 2008.

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE OF THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXPECTED OR RESERVED BY THIS INSTRUMENT (This Notice is set forth pursuant to Act No. 255, approved September 10 1965, as amended.)

## CERTIFICATE OF RESIDENCE

I/we hereby certify, that the precise residence for the Grantee herein is as follows:

Jefferson County Courthouse  
200 Main Street  
Brookville, PA 15825

*Diane Mahle Kid-L*  
Attorney or Agent for Grantee

PAGE  
0736

BOOK  
158



**QUIT CLAIM DEED**

**MADE** the 9th day of January in the year two thousand one (2001)

**BETWEEN** JOHN P PRUSHNOK, GEORGE D PRUSHNOK and DAVID M. PRUSHNOK, trading as ANDRAY MINING COMPANY, a Partnership of the Commonwealth of Pennsylvania, Box 339, 240 West Mahoning Street, Pennsylvania 15767, Parties of the First Part and GRANTORS,

and

JEFFERSON COUNTY, PENNSYLVANIA, Party of the Second Part and GRANTEE

**WITNESSETH** That the said Grantors for and in the consideration of Thirty-one Thousand, Nine Hundred, Eighty (\$31,980 00) Dollars lawful money of the United States of America, unto them well and truly paid by the said Party of the Second Part, at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, have remised, released and quit-claimed, and by these presents do remise release and forever quit-claim, unto the said Party of the Second Part, its heirs, successors and assigns.

ALL right, title and interest of the said Grantors of in and to ALL THOSE PORTIONS of the right of way of railroad of Consolidated Rail Corporation, formerly Penn Central Transportation Company known as the Cresson (Bellwood) Secondary and Identified as line code 2335 in the records of the United States Railway Association, situate partly in the Townships of Gaskill and Bell and the Borough of Purxsutawney, County of Jefferson, Commonwealth of Pennsylvania, as more fully set forth and described and designated in survey map of R B Shannon and Associates, intended to be recorded in the Plat Book Registry of the recorder of Deeds Office for the County of Jefferson, Commonwealth of Pennsylvania

**BEGINNING** at the center line of State Route 2001 at a point referred to as 2649+29 on the railroad map in the said Township of Gaskill and extending thence in a general westerly direction to the line of properties of Grantors, subdivided and known as P&N Commerce Park, lands of P&N Coal Company to a point referred to as station 323+25 46 on sheet 7 of 14 on survey map of R.B Shannon & Associates recorded in Plat Book Registry of the Office of Recorder of Deeds for Jefferson County of Pennsylvania **CONTAINING** 47 654 acres, more or less, said property being 66 feet wide consisting of 33 feet on either side of

JEFFERSON COUNTY, PA  
ENTERED OF RECORD  
DIANE MAI-LE KILL  
RECORDER

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BOOK .  
PAGE  
185 0599

EXHIBIT

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the center line of the survey prepared by R.B. Shannon & Associates intended to be recorded in the Plat Book Registry of the Recorder of Deeds Office for the County of Jefferson, Commonwealth of Pennsylvania

**TOGETHER** with all that certain tract or parcel of land situate in Gaskill Township, Jefferson County, Pennsylvania, consisting of 1 acre and identified as Parcel 1 on survey map of R.B. Shannon & Associates, Inc., Drawing No. OC6-5-1, Sheet 2 of 14, which is intended to be recorded in the Plat Book Registry of the Office of Recorder of Deeds for Jefferson County, Pennsylvania

**TOGETHER** with all that certain tract or parcel of land situate in Gaskill Township, Jefferson County, Pennsylvania, consisting of 2.468 acres and identified as Parcel 2 on survey map of R.B. Shannon & Associates, Inc., Drawing No. OC6-5-1, Sheet 3 of 14, which is intended to be recorded in the Plat Book Registry of the Office of Recorder of Deeds for Jefferson County, Pennsylvania

**TOGETHER** with all that certain tract or parcel of land situate in Gaskill Township, Jefferson County, Pennsylvania, consisting of .287 acres and identified as Parcel 3 on survey map of R.B. Shannon & Associates, Inc., Drawing No. OC6-5-1, Sheet 3 of 14, which is intended to be recorded in the Plat Book Registry of the Office of Recorder of Deeds for Jefferson County, Pennsylvania

**EXCEPTING AND RESERVING** unto Grantors, their heirs and assigns, all prior deeds, rights of ways, easements, license agreements, articles of agreement of record or unrecorded previously conveyed, including without limitation (a) Three rights-of-way to CNG Transmission Corp. dated May 2, 1992 recorded in Jefferson County Docket Book as follows: Book 566 Page 655; Book 56, Page 657, and Book 558, Page 293, and (b) excepting and reserving property granted to Cloe Lumber by deed of Grantors dated July 31, 1991, recorded in Jefferson County Deed Book 548 at Page 008. Further including in this exception and reservation unrecorded easements, licenses and articles of agreement previously unrecorded, but attached hereto and intended to be recorded herewith

**FURTHER EXCEPTING AND RESERVING** unto Grantors, their heirs and assigns, permanent and perpetual easements in gross, freely alienable and assignable by the Grantors, for all existing wire and pipe facilities or occupations whether or not covered by license or agreement between Grantors and other parties, of record or not of record, that in any way encumber the premises conveyed herein, and all rentals, fees and considerations resulting from such occupations, agreements, licenses and easement conveyances.

BOOK  
185  
PAGE  
0600

intended usage of the premises as a non-motorized recreational trail, trailhead, parking, and related facilities. These conditions may include, but not be limited to, appropriate fencing, traffic control, signage, support, and detours required by the exercise of easements, rights-of-way or coal and mineral rights. Grantees may, for good cause shown, require Grantors to post adequate security to guaranty performance of these terms and conditions.

THIS land was acquired with funds provided by the Pennsylvania Department of Conservation and Natural Resources ("Department") through the Keystone Recreation, Park and Conservation Fund, Act of July 2, 1993, P L 359 No. 50. Subject to the exceptions and reservations described above, this land is restricted solely to a recreational trail and related facilities, and no change of use and no transfer of ownership, control, or interest in this land shall occur without the written consent of the Department. This restriction shall have the effect of a covenant running with the land and shall otherwise be binding up the Grantee and its successors and assigns.

GRANTEE acknowledges and agrees that

- (1) Grantee will assume all obligations with respect to ownership, maintenance, repair, renewal or removal of the drainage structures, culverts and bridges located on, over or under the premises or any part thereof conveyed herein that may be imposed after the date of this Deed by any governmental agency having jurisdiction thereover;
- (2) Grantee will indemnify, release and hold harmless Grantors, their heirs, successors and assigns, from any claim related to the obligations which Grantee has assumed, including without limitation maintenance, removal and repair of bridges, drainage, road crossings, culverts, erosion and sedimentation control, terms and conditions of reserved easements, license agreements, road crossings, pipeline crossings, electrical line crossings and water line crossings, and
- (3) Should a claim adverse to the title hereby quitclaimed be asserted and/or proved, no recourse shall be had against the Grantors, their heirs, successors or assigns.

BEING a part of the same parcel which became vested in Grantors by deed of Consolidated Rail Corporation dated November 12, 1984, and recorded in Jefferson County Recorder's Office at Deed Book Volume 499, Page 596

BOOK  
185

PAGE  
0601

**FURTHER EXCEPTING AND RESERVING** unto Grantors, their heirs and assigns, all coal, oil and gas minerals in, upon or under the property described above, together with the right to remove the same without liability for damage to the surface, subsurface or support. However, this right is under and subject to Grantor's duties and obligations to provide for Grantee's continuous and uninterrupted use of the premises for purposes of a non-motorized recreational trail as set forth herein. Grantors shall be responsible to repair and alleviate any damage to improvements on the properties performed by Grantee, their successors and assigns, which may occur in the course of exercising oil, gas or mineral rights and shall at Grantor's expense return the improvements to their condition prior to disturbance. Grantor shall be further subject to the additional conditions set forth below.

**FURTHER EXCEPTING AND RESERVING** unto Grantors, their heirs and assigns its successors and assigns the exclusive right to grant easements and rights of way and receive considerations thereof, upon, in and under the land herein conveyed for gas, electricity, telephone, water, sewage, or other public services as well as oil and gas pipelines, as future requests for such uses are made provided no such use shall unreasonably interfere with the County's use of the property as a non-motorized recreational trail. Grantors, and their successors and assigns, shall be responsible to repair and remediate any damages to improvements on the properties performed by Grantee's heirs, successors and assigns that may occur in the course of exercising the right of way or easement on behalf of Grantor or its successors or assigns and shall return the improvements to their condition prior to disturbance.

**FURTHER EXCEPTING AND RESERVING** all that piece or parcel of property set forth in Notice of Condemnation and Eminent Domain proceedings in the Court of Common Pleas of Jefferson County at No. 80-CD-1898.

**TOGETHER** with the right of grantees, to the extent Grantors may so delegate said right to co-use and enjoyment to a right of way or easement 16 feet in width excepted and reserved in deed of Grantors to Cloc Lumber, dated July 31, 1991, and recorded in Jefferson County Deed Book 548, Page 008, being part of the same parcel.

**UNDER AND SUBJECT** to the obligation of Grantors, its successors and assigns, to any easements pertaining to the premises described herein or rights of way to comply and abide by any reasonable conditions of Grantee's relative to the development, maintenance and use of easements or rights of way to undertake such developments in a manner so as to not unreasonably interfere with the Grantee's.

BOOK  
185  
PAGE  
8602

For Pennsylvania Transfer Tax purposes, it is certified that this is a transfer of property to a municipality for recreational purposes and therefore exempt from real estate transfer tax.

IN WITNESS WHEREOF, said Grantors have hereunto set their hands and seals, the day and year first above-written.

Sealed and delivered in the presence of

Wanda O. Mahleme

Wanda O. Mahleme

Wanda O. Mahleme

John P. Prushnok (SEAL)  
John P. Prushnok

George D. Prushnok (SEAL)  
George D. Prushnok

David M. Prushnok (SEAL)  
David M. Prushnok

State of Pennsylvania

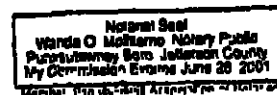
SS

County of Jefferson

On this, the 16<sup>th</sup> day of January, 2001, before me the undersigned officer, a notary public, personally appeared JOHN P. PRUSHNOK, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained

IN WITNESS WHEREOF, I have hereunto set my hand and official seal

Wanda O. Mahleme  
Notary Public



BOOK  
185  
PAGE  
0603

## NOTICE

In accordance with the provisions of "The Bituminous Mine Subsidence and Land Conservation Act of 1966", I/we, the undersigned grantee/grantees, hereby certify that I/we know and understand that I/we may not be obtaining the right of protection against subsidence resulting from coal mining operations and that the purchased property may be protected from damage due to mine subsidence by a private contract with the owners of the economic interest in the coal. I/we further certify that this certification is in a color contrasting with that in the deed proper and is printed in twelve point type preceded by the word "notice" printed in twenty four point type.

Witness.

This \_\_\_\_ day of \_\_\_\_\_.

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE OF THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND IN THAT CONNECTION DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This Notice is set forth pursuant to Act No. 255, approved September 10, 1965, as amended.)

### CERTIFICATE OF RESIDENCE

I/we hereby certify, that the precise residence for the Grantee herein is as follows:

Jefferson County Courthouse  
200 Main Street  
Brookville, PA 15825

  
Attorney or Agent for Grantee

BOOK  
185  
PAGE  
0605

State of Pennsylvania

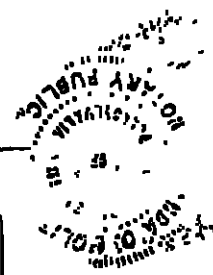
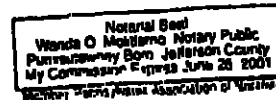
SS

County of Jefferson

On this, the 11<sup>th</sup> day of January, 2001, before me the undersigned officer, a notary public personally appeared GEORGE D PRUSHNOK, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purpose therein contained

IN WITNESS WHEREOF, I have hereunto set my hand and official seal

*Wanda O. Mahle*  
Notary Public



State of Pennsylvania

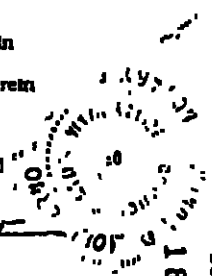
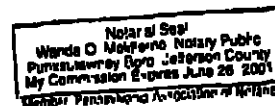
SS.

County of Jefferson

On this the 11<sup>th</sup> day of January, 2001, before me the undersigned officer a notary public, personally appeared DAVID M PRUSHNOK, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purpose therein contained

IN WITNESS WHEREOF, I have hereunto set my hand and official seal

*Wanda O. Mahle*  
Notary Public



BOOK  
PAGE  
185  
0604